

Tax Efficient Review

Issue No: 370
Product: Mobeus VCTs
Tax Status: Venture Capital Trust
Fund Group: Mobeus Equity Partners LLP

Reprinted for the use of Mobeus Equity Partners LLP

**Tax Efficient Review reviews are completely independent and providers do not pay for a review
Providers who wish to distribute their review as part of their marketing can do so for a standard fee**

This communication is provided for informational purposes only. This information does not constitute advice on investments within the meaning of Article 53 of the Financial Services and Markets Act (Regulated Activities) Order 2001. Should investment advice be required this should be sought from a FCA authorised person

This communication is provided for informational purposes only. This information does not constitute advice on investments within the meaning of Article 53 of the Financial Services and Markets Act (Regulated Activities) Order 2001. Should investment advice be required this should be sought from a FCA authorised person

Tax Efficient Review' (the "Review") is issued by Tax Efficient Review Limited ("TER"). The Review is provided for information purposes only and should not be construed as an offer of, or as solicitation of an offer to purchase, investments or investment advisory services. The investments or investment services provided by TER may not be suitable for all readers. If you have any doubts as to suitability, you should seek advice from TER. No investment or investment service mentioned in the Review amounts to a personal recommendation to any one investor.

GENERAL RISK WARNINGS

Your attention is drawn to the following risk warnings which identify some of the risks associated with the investments which are mentioned in the Review:

Fluctuations in Value of Investments

The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

Suitability

The investments may not be suitable for all investors and you should only invest if you understand the nature of and risks inherent in such investments and, if in doubt, you should seek professional advice before effecting any such investment.

Past performance

Past performance is not a guide to future performance.

Legislation

Changes in legislation may adversely affect the value of the investments.

Taxation

The levels and the bases of the reliefs from taxation may change in the future. You should seek your own professional advice on the taxation consequences of any investment.

ADDITIONAL RISK WARNINGS

Venture Capital Trusts

1. An investment in a VCT carries a higher risk than many other forms of investment.
2. A VCT's shares, although listed, are likely to be difficult to realise.
3. You should regard an investment in a VCT as a long term investment, particularly as regards a VCT's investment objectives and policy and the five year period for which shareholders must hold their ordinary shares to retain their initial income tax reliefs.
4. The investments made by VCTs will normally be in companies whose securities are not publicly traded or freely marketable and may therefore be difficult to realise and investments in such companies are substantially riskier than those in larger companies.
5. If a VCT loses its Inland Revenue approval tax reliefs previously obtained may be lost.
6. No investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State Aid Risk Finance was received by the company within 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied; and
7. No funds received from an investment by the VCT into a company can be used to acquire another existing business or trade.

Type	Generalist VCT with track record
Size	£38m combined fundraise (with an over-allotment facility of up to a further £20m)
Manager	Mobeus Equity Partners LLP
Sponsor	Howard Kennedy Corporate Services LLP
Focus	Diversified portfolio of MBOs and development capital investments in unquoted companies. Funds initially invested Cash or cash equivalent assets
Minimum investment	£6,000
Minimum subscription	Not applicable - this is a further share issue
Closing dates	31 March 2020 or when each individual offer becomes fully subscribed
Issue Costs:	3 % maximum costs initial for direct and execution only investors, 2.5% initial charge for IFA/advised investors. Trail of 0.375% for max. 6 years for non-advised clients investing through execution only discount brokers
Initial advisor charges	If charged, facilitated by the VCTs on subscription up to a maximum of 4.5%. Tax relief is available on the facilitated fee.

Table 1: Tax Efficient Review summary of offering Pros and Cos

PROS	CONS
<ul style="list-style-type: none"> Good performance to date based on old management buy out investment strategy 	<ul style="list-style-type: none"> Performance fees are complex and differ between VCTs with MIG4 unlikely to pay out this year
<ul style="list-style-type: none"> A new growth investment team formed under the leadership of Partner Trevor Hope, formerly Chief investment Officer for the ProVen VCTs 	<ul style="list-style-type: none"> Mobeus has raised a £166 million Institutional Buyout Fund to continue with its MBO strategy. Is this a distraction for VCT investors?
<ul style="list-style-type: none"> Target for tax free dividends from each VCT is at least 4p per annum per VCT 	<ul style="list-style-type: none"> Buy back discount has only recently changed to the 5% that other VCTs are targeting.

Disclaimer

This communication is provided for informational purposes only. This information does not constitute advice on investments within the meaning of Article 53 of the Financial Services and Markets Act (Regulated Activities) Order 2001. Should investment advice be required this should be sought from an FCA authorised person

Key Information Document

Since January 1 2018 a potential VCT investor must be furnished with a Key Information Document (KID). In the opinion of Tax Efficient Review, the use of KIDs by advisers and investors is not straightforward as VCTs do not easily lend themselves to the prescriptive handling required by the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulations. After that date no VCT can be sold to an investor without a KID.

Offer details

An offer from all four of the Mobeus VCTs to raise, in aggregate, £38 million with an over-allotment facility of up to a further £20 million. The Board of each VCT has set out the amount sought and possible over-allotment as follows:

- £10m (plus £5m) for Mobeus Income & Growth VCT ("MIG")
- £15m (plus £5m) for Mobeus Income & Growth 2 VCT ("MIG2")
- £8m (plus £5m) for Mobeus Income & Growth 4 VCT ("MIG4") and
- £5m (plus £5m) for The Income & Growth VCT ("I&G").

Investors should note that this offer is not linked. Under this offer, the investor can choose to invest equally across all the offers or choose how much to invest in one or more of the four VCTs. The Offers are open for the current tax year only and the Offers will close no later than 31 March 2020, unless one or more offers are fully subscribed by an earlier date.

MIG, MIG2, MIG4 and I&G are the four VCTs advised by Mobeus Equity Partners LLP (Mobeus). They are all generalist VCTs

Table 2: Funds under management - Mobius Equity Partners LLP Source: Mobius 30 June 2019

	Net assets £m	Annual Management fee	Still to be invested £m
VCT FUNDS			
MIG VCT	72.7	1.58	4.1
MIG 2 VCT	43.7	0.99	6.4
MIG 4 VCT (formerly TriVen)	50.6	1.13	3.3
I&G VCT (formerly TriVest)	78.0	1.73	8.6
NON VCT funds than can co-invest with VCT Funds			
None			
NON VCT funds than cannot co-invest with VCT Funds			
Mobeus IV Lp	166.4	£3.3	85.4
TOTAL	£411.4m	£8.762m	£107.8m

with a combined asset base of £245 million with the same investment strategy and with similar portfolios. It is some two years since the Mobeus VCTs last raised £80 million funds between September 2017 and February 2018.

Each VCT offer is a further issue to invest into a portfolio with mature MBO investments and growth investments that have been made more recently. This combination offers the potential for an immediate dividend stream and capital appreciation. The four VCTs have developed over different periods, are of different sizes and have slightly different asset mixes (see Table 3).

All four VCTs have stipulated in the prospectus that they will be targeting a minimum of 4p annual tax-free dividend. For subscribers who invested in the last six Mobeus VCT offers, this minimum dividend has been very significantly exceeded as recent years have been characterised by high valuations for some unquoted companies and VCTs have seen some good exits. In addition to the very high dividends actually paid out, subscribers have also seen increases in the value of their investment.

At the heart of Mobeus's performance is a particularly strong run of cash exits from realising investments. Since 2014, Mobeus has realised seventeen of its VCT investments. These seventeen sales have realised total cash proceeds of £213m; a profit of £134m against the £79m cost of the investments. Sixteen of the seventeen sales have successfully produced cash gains whilst just one generated a small cash loss of £1.1m, making on average a 2.7X money multiple on seventeen separate investments which has contributed to the Mobeus VCT dividends. An investor that subscribed 100p split equally across all the four Mobeus VCTs in the last fundraising just two years ago will already have received almost 20p in tax free dividends. This should not be taken as an indication that this level of exits or pay-outs can be achieved in the future.

All the VCTs managed by Mobeus are generalist with the same investment remit. Mobeus has adapted its approach to making qualifying investments in response to the new VCT rules introduced in November 2015. Before Qualifying Investments are identified, cash is placed in liquid, low risk Money Market Funds and bank deposits. The investment strategy of each Company aims to be relatively lower risk within the overall VCT universe, while still providing the prospect of attractive returns.

Investors will benefit from investment into an existing portfolio of MBO and growth investments with all new investments being growth investments in unquoted companies.

The track record of the VCTs reflects the success of their former investment strategy whereby Mobeus focused on financing management buyouts (MBOs) of established, profitable businesses, using a combination of loan stock and equity. The Companies made investments under this former investment strategy up to November 2015. These predominantly MBO investments now comprise 54% of the VCTs' investment portfolio, and this percentage will reduce over time as further growth capital investments are made and as sales of investments under the previous strategy occur.

The key aspects of this former strategy are explained below. The Mobeus VCTs pursued this strategy because MBO deals were considered as attractive and lower risk for two reasons: -

- The Companies were frequently able to buy these businesses alongside management teams that had a unique and informed understanding of the financial opportunities and risks within their business.
- The incumbent management teams were highly incentivised to buy these businesses on attractive terms for themselves and for the Companies. Management teams were prepared to put at risk significant personal capital to purchase shares at the same time as the Companies. Both parties were seeking to buy the business together on the most attractive terms with the mutual objective of realising maximum value through selling the business in the medium term.

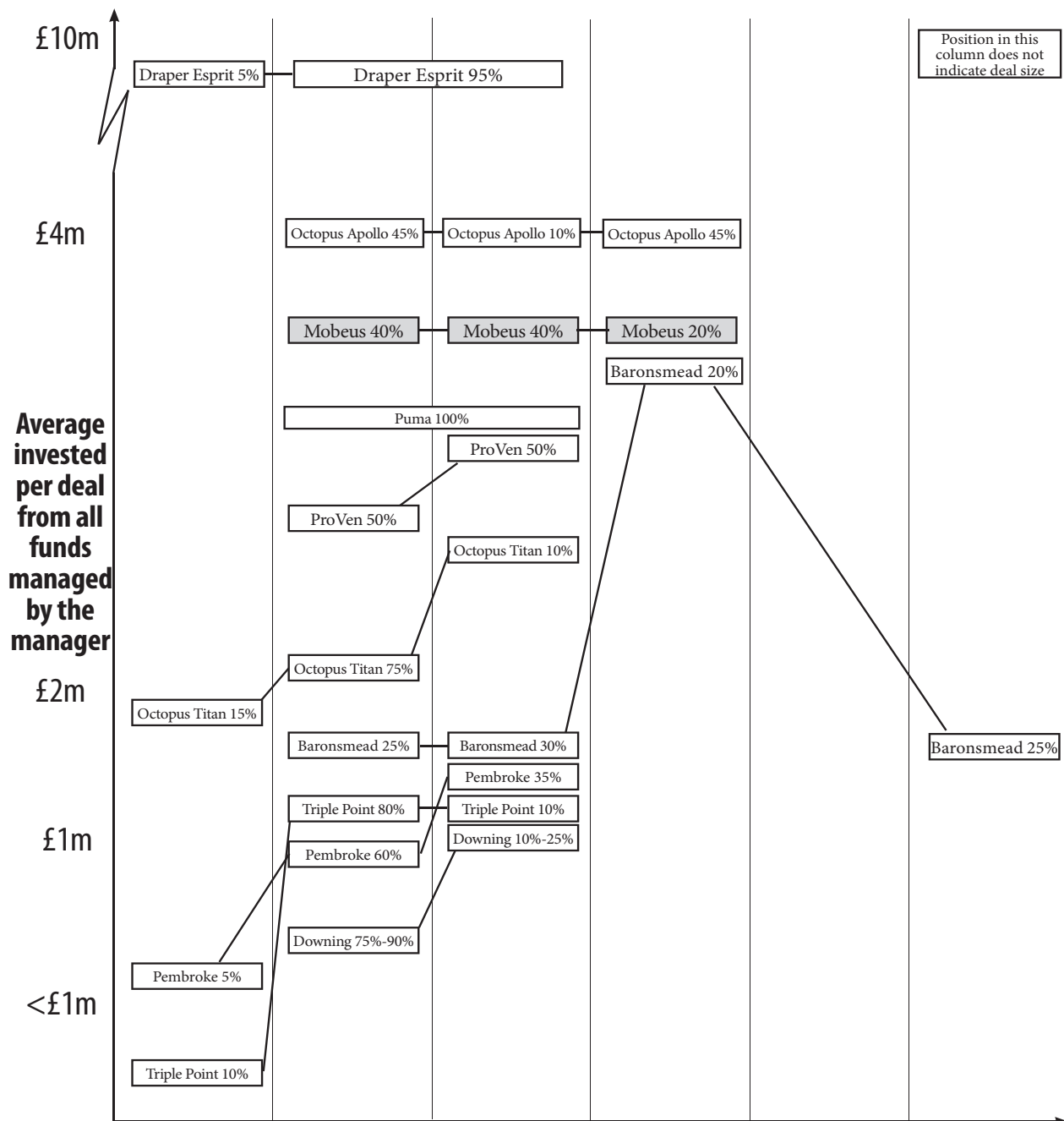
The new rules introduced in November 2015 require new investments by all the VCT industry to be made in younger and smaller companies for growth and development purposes. The Mobeus VCTs have adapted to these new rules by amending their investment policies, while Mobeus has recruited further experienced growth capital investment professionals to its existing team and completed sixteen new investments under the new rules, deploying £68 million.

For Mobeus, growth capital (also called venture capital, development capital, expansion capital or growth equity) means equity investment in privately owned or unquoted companies which are beyond the stage of start-up and are usually looking for capital to finance a transformational event in their lifecycle. With established products/services, operations and revenue, each target company must prove the initial market opportunity and the attractiveness of its offering. To continue to grow rapidly, it now requires funding to support major expansion to deliver its potential.

Fast growing smaller and younger companies can be attractive investment opportunity due to several factors:

- In many cases, with limited security to support a loan, such companies struggle to achieve bank funding and are open to a combination of equity and debt funding from an investor.
- Key employees within the business are usually significant shareholders in the company and are highly incentivised

Diagram 1: Investment strategies of Growth VCT managers
 (% figures refer to manager expectations of VCT qualifying companies portfolio composition post investment of current fund raising)
 Source: Fund Managers September 2019



Position in this column does not indicate deal size

Seed capital/ Early stage	Pre-Profit	Post-Profit	Larger Develop- ment Capital Deals	Asset backed opportunities	AIM stocks
	High Growth and Development capital				
- high risk with hopefully high return - all equity investment - should have potential for rapid growth	- should have potential for rapid growth and exit within 3-5 years - some VCT loan interest may be deferred until exit - usually no bank debt because of lack of assets for security and companies may not be able to support interest payments - focus on high growth market sectors in which company growth should be less dependent on the performance of the whole economy		- relatively low returns but should be lower risk - companies usually profitable - companies should be able to sustain loan interest payments - profitable companies seeking capital for expansion	- low return and should be low risk - should be able to support interest on debt	- some stocks are dividend paying - limited liquidity - potential volatility

30/09/2019

Table 3: Mobeus VCT Offers compared as at 9 September 2019 Source Mobeus

	Mobeus Income & Growth VCT	Mobeus Income & Growth 2 VCT	Mobeus Income & Growth 4 VCT	The Income & Growth VCT
Estimated issue price	71.50 pence	93.37 pence	77.86 pence	78.08 pence
Net assets prior to new funds	£72.7m	£43.7m	£50.6m	£78.0m
Strategy	Existing portfolio comprises 54% MBO, 46% growth investments by value in unquoted companies. New investments will all be growth investments in unquoted companies.			
Current VCT fund allocation:				
Unquoted companies- MBOs	£27.2m	£15.7m	£19.0m	£25.8m
Unquoted companies- growth	£21.6m	£13.6m	£17.3m	£23.8m
AIM-listed/Collectives	-	-	£0.2m	£1.7m
Cash & Gilts etc	£24.0m	£14.7m	£14.2m	£26.7m
Other assets	-	-	-	-
Average dividend per share paid per annum in last five years	11.7 pence	11.2 pence	14.0 pence	13.4 pence
Potential yield (Avg div/Estimated issue price) excluding tax break	16.4%	12.0%	18.0%	17.2%
Dividend policy from last set of accounts	Consistent and regular income stream. Minimum annual dividend target of 4 pence pa	Consistent and regular income stream. Minimum annual dividend target of 5 pence pa	Consistent and regular income stream. Minimum annual dividend target of 4 pence pa	Consistent and regular income stream. Minimum annual dividend target remains at 6 pence pa, but Board stated the the sustainability of this target is under review.
Historical Total Expense Ratio	2.4%	2.7%	2.6%	2.5%

to grow their business and equity value.

- Their existing small scale allows them to be focused on specific niches, developing targeted products and services which are differentiated from their competitor
- They can experience significant revenue growth far exceeding the general economy as their offering achieves greater market awareness.
- As they begin to benefit from economies of scale, they can dramatically improve profitability during the lifetime of the investment.
- Smaller fast-growing companies can be attractive acquisition targets to larger competitors, as they look to supplement their own growth. In many instances they are willing to pay premium prices for the asset, providing the investor with an attractive exit.

However, growth capital investments will carry higher risk, because the companies may be less established than companies under the previous policy and may still be loss-making but should have the potential for greater growth and returns than more established companies.

The implementation of this new strategy commenced with the first investment being completed in February 2016 but it is too early to determine how the growth capital performance will compare to the historic MBO performance, but the growth portfolios' initial performance has been encouraging in Mobeus's view. Each of these sixteen investments, is set out in Table 4.

Frequently, funds from the VCTs will be the first institutional investment in the business, where previously the business has been self-funded and/or supported by Angel investors. Investments will be made using a range of financial structures and instruments including:

- equity instruments which provide investor controls and protections, allowing Mobeus significant influence over the company's plans and development;
- preferred equity/ minimum return mechanisms, which can provide for priority repayment when the company exits thereby reducing the downside risk of the investment;
- instruments which develop as the company matures, for example involving increased interest and dividend payments only once the company matures and has the capacity to pay.

As an example, one of the investments made since the rule changes came in is in a very small eight-person company (backed by Robert and Stephen Grabiner) called "My Tutorweb Limited".

Table 4: Growth investments made since February 2016 Source Mobeus

Company	Business	Investment Month	Amount invested (£m)
Wetsuit Outlet	Watersports online retailer	Jul-17	10.0
MPB	Online marketplace for photographic equipment	Jun-16	7.1
Preservica	Provider of digital preservation solutions	Dec-16	7.0
Biosite	Provider of biometric access control	Nov-16	5.7
MyTutor	Online tutor marketplace	May-17	5.6
Arkk	Regulatory and reporting requirement service provider	May-19	5.0
Tapas Revolution	Spanish tapas restaurant chain	Jan-17	4.5
Redline	Aviation security business	Feb-16	3.7
Proactive Group	Investor media services	Jan-18	3.3
Parsley Box	Home delivered ambient ready meals for the elderly	May-19	3.0
BookingTek	Provider of direct booking software	Oct-16	2.8
Buster + Punch	Interiors retailer	Mar-17	2.4
Hemmels	Classic car restorer	Mar-18	2.2
SuperCarers	Online platform that connects people seeking home care from experienced independent carers	Mar-18	2.1
Rotageek	Workforce management software	Aug-18	2.0
Kudos	Platform for the dissemination of research	Nov-18	1.5
		TOTAL	£67.9m

Mobeus invested £2m in May 2017 from the four VCTs for 19% of the company valuing the loss-making start-up (£900k loss in the year to December 2016), when the Company had revenues of £220k, at over £10m. Post investment the Company has grown to £1.3m of revenue for its year to 2018 with losses also increasing to £2.2m as it continues to invest to drive growth.

In order to provide some downside protection the investment was made in A preferred ordinary shares (a special class of ordinary shares with a liquidation and sale preference). A 'preference' confers the right to be paid a sum equal to (or in some cases (though less common nowadays) a multiple of) the subscription amount paid by it before any of the other shareholders are paid. The My Tutorweb shares are participating preferred shares whereby the Mobeus investment receives priority in the return of its investment capital. After this distribution other shareholders receive a 'catch-up' of an equivalent value of the investment capital received by Mobeus and thereafter all shareholders including Mobeus share any remaining proceeds on a pro rata basis to their equity holding.

In some investments, depending on the commercial circumstances, Mobeus seeks a 'fully participating preference' whereby after the investors receive their preferred shares payment amount, the remaining proceeds are distributed to all shareholders, including the investors, pro rata to their shareholding.

Mobeus say that deal flow is healthy and also claim that the quality of the deals is high, given that bank finance has essentially evaporated in this space and that Mobeus are seeing some great opportunities to invest in some very good businesses. Time will tell whether their claims lead to profitable exits for investors.

Tax Efficient Review Strategy rating 29 out of 30

Track record

Our approach to comparing track records between providers has changed from previous years. We now use 3, 5 & 10 year measures of the annual increase in total return (calculated as closing net asset value less opening net asset value plus dividends paid during the period). This reflects the changes in strategy that VCTs have adopted which makes the old track record less relevant.

The results are in Table 5 and consist of results for each provider and their VCTs over a 3, 5 and 10 year period. In order to reduce the data down to one figure we score each VCTs' position in the results from 1 to the total number of VCTs in the analysis (in this case 22 and lower numbers are better), add them together and take an average over the three periods being measured.

The results are:

PROVIDER	AVERAGE SCORE (lower is better)
ALBION	7
MOBEUS	9
NORTHERN	9
FORESIGHT	16
GRESHAM HOUSE	16
MAVEN	17
DRAPER ESPRIT	20

Table 5: Generalist VCT provider 3,5 & 10 year performance comparison - Net Asset Values are latest announced

VCT manager (alphabetical order)	TIDM	VCT name	3 year annual % return	5 year annual % return	10 year annual % return
ALBION	AADV	Albion Development VCT	13.8%	9.5%	7.4%
	AAEV	Albion Enterprise VCT	12.8%	9.7%	8.3%
	AATG	Albion Technology & General VCT	13.1%	5.9%	5.3%
	AAVC	Albion Venture Capital Trust	10.2%	9.1%	5.6%
	CRWN	Crown Place VCT	14.2%	8.9%	7.2%
	KAY	Kings Arms Yard VCT	10.5%	7.9%	8.7%
DRAPER ESPRIT	DEVC	Draper Esprit VCT (was Elderstreet VCT)	-4.5%	1.2%	5.5%
FORESIGHT	FTV	Foresight VCT	4.8%	2.5%	9.2%
	FTF	Foresight 4 VCT	2.2%	-1.3%	-0.1%
GRESHAM HOUSE	BMD	Baronsmead Second VCT	0.9%	3.5%	7.1%
	BVT	Baronsmead VCT	1.6%	3.9%	8.4%
MAVEN	MAV4	Maven Income & Growth VCT 4	2.0%	3.6%	5.6%
	MIG1	Maven Income & Growth VCT	3.7%	5.7%	7.5%
	MIG3	Maven Income & Growth VCT 3	1.4%	4.8%	6.5%
	MIG6	Maven Income & Growth VCT 6	-1.2%	0.2%	4.5%
MOBEUS	MIX	Mobeus Income & Growth VCT	7.2%	5.9%	11.6%
	MIG4	Mobeus Income & Growth 4	5.2%	5.2%	7.4%
	MIG	Mobeus Income & Growth 2 VCT	6.3%	5.5%	11.4%
	IGV	Income & Growth VCT	4.5%	4.7%	10.4%
NORTHERN	NVT	Northern Venture Trust	6.6%	5.7%	10.7%
	NTV	Northern 2 VCT	5.0%	5.4%	7.7%
	NTN	Northern 3 VCT	4.5%	5.6%	8.9%

Source: Tax Efficient Review calculation based on data from public accounts 26/10/2019 10:18:42

This analysis shows Mobeus has performed very well for investors over all three periods, coming joint equal second out of the Generalist VCT providers.

Other details on the unquoted portfolio:

- In Table 6, in order to check on potential manager overvaluation of holdings, we asked Mobeus for the previous four valuations (as reported in quarterly published statements) for each of the last five exits. The valuations show the following: Motorclean, PLastic Surgeon and ASL were all sold near or above the last valuation. However Hemmels was sold at around 50% of its latest valuation but Lightworks was sold at a considerable premium to its last valuation.
- Table 7 shows the stage of development of the Mobeus VCT unquoted investee companies at time of investment. The results are in line with the manager's strategy with around 85% in Mature Stage Management Buy-Outs and around 8% in Later Stage, Pre-flotation. It should be noted that around 9% of funds were in "seed" (or Companies Preparing to Trade"). This is £6m across the four VCTs in aggregate that is still held in five companies preparing to trade. They were set up as SPVs as qualifying investments to make new investments, however we understand that these are unlikely to be used to make new investments and will eventually wind up when they become non-qualifying and the cash will return to the VCTs.
- Table 8 shows the valuation methods applied to Mobeus VCTs unquoted holdings, with about a third still held at cost, about a third having had some amount of write-down and about a third having been uplifted by the manager.
- Table 9 looks at levels of non-performing debt held by VCTs in investee companies (non performing is defined as the investee companies not making debt interest or debt repayments on schedule). At first glance it looks as if the numbers have deteriorated significantly, but this is in fact down to one large loan to Ventek where interest due of £774k is not being paid and the loan is therefore classed as non performing. In addition it since the VCTs are materially providing for the Veritek loan principal (loan cost £6.7m, valued for the purposes of the VCTs' NAVs at £567k). At the entire loan book level, the VCTs have 21 investee company yielding loans: twenty are performing, one is non-performing. Removing the Veritek interest, the £76.3 m loan book is generating paid and rolled up interest of yield of £7.5m, an effective yield of 10%.
- Table 10 shows the age (time in portfolio, rather than age of company) of current holdings. A high proportion of young investments (less than two years old in our view) in the portfolio could indicate that exits are not close and a

Table 6: Last five Mobeus exits (whole exits not split by fund) September 2019

Company Name	Exit Date	Value achieved on exit	Valuation last four quarters before exit			
			Most recent	1 quarter before exit	2 quarters before exit	3 quarters before exit
Motorclean	August 2018	2,991,200	2,849,595	2,243,450	5,615,435	5,373,422
Hemmels	September 2018	1,010,004	1,951,000	2,223,999	-	-
Lightworks	September 2018	2,116,800	270,476	236,810	427,020	336,130
Plastic Surgeon	May 2019	6,005,573	4,463,846	4,562,283	4,087,591	3,488,084
ASL	June 2019	17,054,768	14,777,289	11,666,338	10,338,700	10,642,359

Table 7: Current portfolio stages breakdown by original cost Source Mobeus

Development stage of investee companies	I&G		MIG		MIG4		MIG2		TOTALS
	Cost £000	%	Cost £000	%	Cost £000	%	Cost £000	%	
Early Stage, Seed	-	0%	-	0%	-	0%	-	0%	
Early Stage, Pre-Revenue	30	0%	27	0%	23	0%	20	0%	
Later Stage, Pre-profit expansion	6,882	15%	6,304	15%	5,027	15%	3,793	14%	
Later Stage, Pre-flotation	17,916	39%	14,617	35%	13,061	39%	10,099	38%	
Mature stage, Turn-arounds	-	0%	-	0%	-	0%	-	0%	
Mature stage, MBO	20,705	45%	21,389	51%	15,425	46%	12,401	47%	
Mature stage, MBI	-	0%	-	0%	-	0%	-	0%	
Total	45,533	100%	42,337	100%	33,536	100%	26,313	100%	147,719

Table 8: Current unquoted portfolio valuation (excluding interest and dividends)

Valuation methodology	I&G		MIG		MIG4		MIG2	
	Cost £000	%	Cost £000	%	Cost £000	%	Cost £000	%
Cost	2,452	5%	2,301	5%	1,786	5%	1,460	6%
Write-down up to 15%	3,341	7%	3,053	7%	2,495	7%	1,812	7%
Write-down 26%-50%	8,367	18%	7,585	18%	6,067	18%	4,726	18%
Write-down 51%-75%	3,151	7%	2,941	7%	2,352	7%	1,852	7%
Write-down 76%-100%	4,761	10%	3,635	9%	3,435	10%	2,791	11%
Uplift in value, manager valuation based on earnings multiple	23,181	51%	22,822	54%	17,201	51%	13,672	52%
AIM listed, At bid, Marketability discount of 0%	280	1%	-	0%	200	1%	-	0%
Total	45,533	100%	42,337	100%	33,536	100%	26,313	100%

Table 9: Loan interest details as at 30 June 2019 Source Mobeus

	Total loans outstanding £m	Loan interest receivable for last 12 months £m	As at 30 June 2019		As at 30 June 2017	
			Non-performing loans as a % of total loans outstanding		Non-performing loans as a % of total loans outstanding	
MIG VCT	£21.6	£2.5	9.2%		0.0%	
MIG 2 VCT	£13.2	£1.5	8.2%		1.0%	
MIG 4 VCT	£17.4	£1.9	9.4%		0.3%	
I&G VCT	£23.4	£2.7	9.9%		0.3%	
TOTALS	£75.6m	£8.6m				

Table 10: Mobeus VCTs current portfolio as at 30 June 2019 age breakdown by original cost Source Mobeus

	I&G	MIG	MIG2	MIG4
Less than 1 year old	5.9%	6.3%	6.5%	6.2%
1 to 2 year old	4.6%	4.9%	5.3%	5.0%
2 to 3 year old	17.8%	18.1%	18.7%	19.3%
3 to 4 year old	12.5%	13.7%	13.2%	13.4%
4 to 5 year old	18.3%	20.2%	19.6%	20.1%
5 to 6 year old	15.5%	13.1%	14.4%	16.5%
6 to 7 year old	4.6%	4.8%	3.6%	4.8%
8 to 9 year old	3.3%	3.0%	3.1%	3.4%
9 to 10 year old	3.2%	4.4%	3.8%	3.5%
11 to 12 year old	3.1%	5.8%	5.0%	4.5%
12 to 13 year old	1.3%	3.9%	3.9%	1.4%
13 to 14 year old	0.9%	1.7%	1.9%	0.6%
more than 15 years	8.8%	0.0%	1.0%	1.2%
Average age	7.22	4.92	5.21	6.18

Mobeus VCT Share Offer

Table 11: Mobeus complete realisations in last 3 years Source Mobeus

Investments wholly realised	Transaction type	First Investment	Original Cost	Capital returns	Income returns	Total Cash Returns to date	Total Cash Returns to date compared to cost	Exit date
Entanet	MBO	February 2014	£,500,000	£2,541,649	£,804,822	£5,346,471	266.8%	August 2017
ASL Technology Holdings Limited (Formerly Apricot Trading Limited)	MBO	December 2010	£,690,000	£7,054,768	£,096,276	£1,151,044	218.3%	June 2019
Gro-Group	MBO	March 2013	£,075,000	£2,765,772	£,238,587	£6,004,359	226.2%	December 2017
Plastic Surgeon	MBO	April 2008	£,000,429	£,914,373	£,252,670	£1,167,043	558.2%	May 2019
Fullfield Limited (Motorclean Limited)	MBO	July 2011	£,200,000	£,891,200	£,132,017	£1,023,217	119.8%	August 2018
Lightworks (ex VSI)	MBO	April 2006	£50,027	£,501,800	£87,046	£,988,846	664.1%	September 2018
Hemmels	Growth	March 2018	£,224,000	£,010,004	£7,617	£,077,621	48.5%	September 2018

Table 12(1 of 2): Matrix of individual responsibilities - Mobius Equity Partners June 2019

NAMES	Mark Wignall	Clive Austin	Trevor Hope	Greg Blin	Amit Hindocha	Jane Reoch	Amaad Mahmood	Rowan Grobler
	Partner	Partner	Partner					
Deal origination %		5%	25%	15%	15%	15%	15%	15%
General enquiries %	-	-	-	-	-	-	-	-
New deal doing %		5%	55%	80%	80%	80%	80%	80%
Investee board seats No.	-	-	2	2	3	1	2	2
Sitting on Boards/Monitoring %	-	50%	5%	5%	5%	5%	5%	5%
Fund raising %	10%	-	5%	-	-	-	-	-
Internal issues %	5%	5%	5%	-	-	-	-	-
Exits %		20%	5%	-	-	5%	-	-
NON VCT WORK								
Non VCT work	85%	15%	-	-	-	-	-	-
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%
Years in venture capital	31 years	21 years	23 years	7 years	7 years	17 Years	0.5 years	1 year
Years involved with VCT funds	21 years	12 years	12 years	6 years	3.5 years	2 years	0.5 years	1 year
Years with current team	21 years	3 years	4 years	6 years	3.5 years	2 years	0.5 years	1 year

Table 12 (2 of 2): Matrix of individual responsibilities - Mobius Equity Partners June 2019

NAMES	Ed Wass	Josh Henshaw	Katia Mendonca	Matt Mead	Bob Henry	Eric Tung	Jonathan Gregory	Mike Walker
					Partner	Partner	Partner	See Note 1
Deal origination %	5%	90%	15%	15%	-	-	-	-
General enquiries %	-	-	-	-	-	-	-	-
New deal doing %	5%	10%	80%	0%	-	-	-	-
Investee board seats No.	6	-	-	3	3	1	-	-
Sitting on Boards/Monitoring %	90%	-	5%	45%	50%	5%	-	-
Fund raising %	-	-	-	-	-	-	-	-
Internal issues %	-	-	-	-	-	-	5%	5%
Exits %	-	-	-	-	-	-	-	-
NON VCT WORK								
Non VCT work	-	-	-	-	-	-	-	-
TOTAL	100%	100%	100%	60%	50%	5%	5%	5%
Years in venture capital	10 years	3 years	0.5 years	24 years	39 years	28 years	22 years	41 years
Years involved with VCT funds	2 years	3 years	0.5 years	0.5 years	21 years	19 years	21 years	21 years
Years with current team	2 years	3 years	0.5 years	0.5 years	21 years	19 years	21 years	21 years

Note 1 - Mike Walker is available for consulting on internal issues

high proportion of old investments (six or more years old in our view) could indicate trouble in exiting investments. On average the Mobeus VCTs have around 11% of their holdings less than two years old and around 80% of them less than seven years old. Average portfolio age is just under 6 years.

- Table 11 includes details on the exits in the last three years showing an excellent return on capital invested.

Tax Efficient Review Track Record rating 33 out of 40

Manager

In June 2012 the fund manager, Mobeus Equity Partners LLP was formed by Matrix Private Equity Partners effecting their own MBO from Matrix Group. Three of the VCTs changed names from Matrix Income and Growth VCTs to Mobeus Income and Growth VCTs and the name of The Income and Growth VCT stayed the same.

Mobeus was formed by four private equity executives in 1998 and was one of the three managers of Mobeus Income & Growth 4 VCT (formerly TriVen VCT) and The Income & Growth VCT (formerly TriVest VCT) from inception and took over the investment mandates in their entirety in 2007 and 2008 when the other two fund managers were dropped by the boards. Each of the four Founder Partners has between 15- and 30-years private equity experience and the team are one of the most stable in VCT management, having worked together for almost 20 years. They are: Mark Wignall, Managing Partner (ex MAI plc), Jonathan Gregory, Partner (ex Baker Tilly), Bob Henry, Partner (ex head of investment HSBC Ventures) and Mike Walker, Partner (retired, ex head of Portfolio Management Gresham Trust).

In response to the change in the VCT Regulations in 2015, a new growth investment team was formed under the leadership of Partner Trevor Hope. This was a highly significant move by Mobeus as Hope had formerly been the Chief investment Officer for the ProVen VCTs where he had led and implemented their growth investment strategy for 12 years. Hope has now been in post at Mobeus for 3 ½ years and made several experienced new hires including Venture Partner, Matt Mead, formerly CIO at Mercia Technologies Plc, investment Partner, Amit Hindocha from the Business Growth Fund and Jane Reoch from Panoramic Growth Equity. The other senior members of the investment team are, Clive Austin, Partner and Head of Portfolio (ex NVM Private Equity), Greg Blin (ex Piper Private Equity), Director, joined in 2013 (ex PWC) and Ed Wass, Portfolio Director and formerly CIO at Catapult Ventures.

Mobeus raised a £166 million Institutional Buyout Fund in 2016 to continue with its MBO investment strategy and make the MBO investments it could no longer make using VCT capital.

Growing its business to some £410 million of private equity FUM has enabled Mobeus to assemble a team of 37 staff, which consists of 24 investment professionals, a specialist direct origination team, and an eleven strong support and back office. Mobeus claim that the size of this team and scale of resource provides multiple contact points with companies and advisors and generates superior quantity and quality of deal flow.

Table 12 shows details on the time spent on VCT business by the team and items of interest in the table include:

- the lack of relevant VCT experience of some of the new hires
- the reduction in the time spent by Bon Henry on VCT business from 100% in our last review to just 50% now with no time allocated to deal doing
- the reduction in the time spent by Mark Wignall on VCT business from 65% in our last review to just 20% now with no time allocated to deal doing

VCT Boards

Each of the VCTs' Boards is independent of Mobeus. They have substantial experience of venture capital businesses and have overall responsibility for each VCT's affairs, including determining the investment policy of the relevant VCT and making investment decisions (on the advice of Mobeus). Each Board also retains responsibility for approving both the valuations of the portfolio and the net assets of its VCT which is an important safeguard for investors.

Deal Flow

The size of the challenge for an investment team depends on: funds already raised and requiring investing, forthcoming exits that will require re-investing, the impact of new funds being raised, the average deal size and the number of investment team members deploying funds.

Over the next two years, the amount that needs to be deployed could be around £78m or around £40m per year:

- c.£22m that still needs investing to meet the VCT qualification requirements prior to this fund raising (from Table 2)
- Potential exits in our view could be around 10% per annum or £40m over two years
- £58m from this fund raising, if fully subscribed, including the top-up offer
- account needs to be taken of cash needed to fund buybacks and pay VCT running costs. Mobeus tell us that their estimate of the cash required to fund potential buybacks, dividends and fees is roughly £42m per annum (fees of

£6m, buybacks of £6m and dividends of £30m.

This indicates that around £18m will need to be invested annually and from Table 4 we can see that the average deal size lately has been around £4m and in 2018 the team invested just over £11m.

This seems tight but manageable with the current investment team.

Tax Efficient Review Team/Deal Flow rating 17 out of 20

Costs/Fees

The charging structure will be initial costs of 3%. The VCTs will facilitate adviser charging from intermediaries up to a maximum of 4.5%. Tax relief is available on the facilitated fee.

There is no early investment incentive. Running costs are capped at between 3.25 - 3.6% of the net asset value of the funds and are currently running at between 2.4% and 2.7% (see Table 1).

The performance incentives are very complex and each slightly different but based around 20% of the excess above 6p, of the annual dividends paid to shareholders. The performance fee will only be paid if the NAV per Share over the year relating to payment has remained at the equivalent of the initial subscription price of 100p per Share. The performance fee will be paid annually, with any cumulative shortfalls below the 6p threshold having to be made up in later years. Mobeus inform us that they believe that all these performance incentives have become overly challenging to be meaningful; they are significantly "under water" and it will be almost impossible for any payment to be made under these schemes.

Tax Efficient Review Cost rating 8 out of 10

Conclusion

Each VCT has a portfolio of generalist companies aiming to generate an income stream as well as capital growth for investors. The key points are:-

- Investment strategy - The manager had a focus on investing into the MBOs of established larger, profitable and cash generative businesses. These investments still constitute 78% of the VCTs' investment portfolio by value. Hiring Trevor Hope from the ProVen VCTs has spearheaded Mobeus's new growth investment strategy that was required following the change in the VCT Regulations in 2015 and the completion of sixteen investments with £68 million invested is impressive. Mobeus continues to be very confident around dealflow and new investment prospects.
- Performance – A series of profitable exits has delivered cash profits to each of the four VCTs that have translated into large dividend payouts. The VCTs remain significantly invested in MBO investments and it would not be unreasonable to expect further attractive realisations in the future.
- Income – The prospectus states that tax free dividends from each VCT will be at least 4p per annum per VCT.
- Buy back policy - The Mobeus VCTs actively manage their discount through Panmure Gordon so as to maintain their discount at around 5% and are committed to this going forward. However this 5% level was only introduced in August 2019.

The manager seems well resourced and has adapted well to the new VCT Regulations. The performance of all their VCTs over the last 3, 5 and 10 years puts them in the top three using our methodology for comparing performance across Generalist VCTs.

All the VCTs are of a good size and have established and mature portfolios creating good income from their loan stock element. All this leads to the fact that investors coming into this offer might expect a good tax free dividend flow with a relatively lower risk profile. No prediction is made or implied.

Adequate liquidity meant that did not fundraise in the last tax year, but they have acted decisively and effectively to the changed VCT landscape in this period. Some investors might interpret the raising of a £166 million Institutional Buyout Fund to continue with its MBO strategy as a potential distraction for management away from its core VCT business.

Their MBO track record has been highly successful and these investments still constitute the significant majority of the current investment portfolio. This fundraising offers an appealing mix of income and capital growth from a portfolio of MBO and growth capital investments.

Overall, offers for four of what have become amongst the best performing generalist VCTs managed by one of the largest and most experienced management teams in the industry. We suspect that most investors will spread their investment equally over all four VCTs.

Tax Efficient Review rating 87 out of 100 (for Generalist VCT with track record)

Table 12: Unquoted portfolio analysis for Tax Efficient Review as at 30/06/2019- Source Mobeus Equity Partners LLP									
Investee name	Amount invested	Current Value*	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
	£	£							
Tovey Management Limited (Access IS)	3,314	4,010	01/04/2015	N	N	Ords/Prefs/Loanstock	Electronic & Electrical Equipment	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
MPB Group	2,043	3,785	15/06/2016	N	N	Ords/Loanstock	General Retailers	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Preservica	2,182	3,248	02/12/2015	N	N	Ords/Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Virgin Wines Holding Company	2,746	3,150	20/03/2012	Y	Mobeus	Ords/Prefs/Loanstock	General Retailers	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
EOTH	1,383	2,987	24/10/2011	N	N	Ords/Prefs/Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Pattern Analytics Limited (trading as Biosite)	1,792	2,755	23/11/2016	N	N	Ords/Loanstock	Software & Computer Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Media Business Insight	3,667	2,698	30/01/2015	N	N	Ords/Loanstock	Media	Mature stage, MBO	Write-down 26%-50%
Proactive Limited	988	2,487	18/01/2018	N	N	Ords/Loanstock	General Financial	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Turner Topco (ATG Media Holdings)	1,529	2,333	27/06/2014	Y	N	Ords/Loanstock	Media	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Vian Marketing (Red Paddle Co)	1,207	2,028	01/04/2015	N	N	Ords/Loanstock	Leisure Goods	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
CGI Creative Graphics International	1,944	1,931	02/06/2014	Y	Mobeus	Ords/Prefs/Loanstock	General Industrials	Mature stage, MBO	Write-down up to 15%
My TutorWeb	1,784	1,784	22/05/2017	N	N	Ords	Support Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Master Removers Group 2019 Limited	465	1,763	09/12/2014	N	N	Ords	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Manufacturing Services Investment (Wetsuit Outlet)	3,205	1,756	26/02/2014	N	N	Ords/Loanstock	Leisure Goods	Later Stage, Pre-flotation	Write-down 26%-50%
Tharstern	1,454	1,534	18/07/2014	N	N	Ords/Prefs/Loanstock	Software & Computer Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Arkk Consulting Limited	1,526	1,526	13/05/2019	N	N	Ords/Prefs	Support Services	Later Stage, Pre-flotation	Cost
Ibericos Etc. (Tapas Revolution)	1,397	1,340	04/01/2017	N	N	Ords/Loanstock	Travel & Leisure	Later Stage, Pre-flotation	Write-down up to 15%
Buster and Punch Holdings Limited	725	1,174	30/03/2015	N	N	Ords/Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Rota Geek Limited	625	989	13/08/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Kudos Innovations	473	945	28/11/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Parsley Box Limited	926	926	22/05/2019	N	N	Ords	Food Producers	Later Stage, Pre-flotation	Cost
Vectair Holdings	53	910	13/01/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
RDL Corporation	1,442	833	28/10/2010	N	N	Ords/Prefs/Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
Blaze Signs	418	615	28/04/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Redline Worldwide (formerly Pound Fm Consultants)	1,129	562	01/04/2015	N	N	Ords/Loanstock	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
Bourn Bioscience	1,610	357	29/01/2014	N	N	Ords/Loanstock	Health Care Equipment & Services	Later Stage, Pre-flotation	Write-down 76%-100%

Table 12: Unquoted portfolio analysis for Tax Efficient Review as at 30/06/2019- Source Mobius Equity Partners LLP

Investee name	Amount invested £	Current Value* £	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
Omega Diagnostics	280	226	20/12/2010	Y	N	Ords	Pharmaceuticals & Biotechnology	Later Stage, Pre-flotation	AIM listed, At mid, Marketability discount of 0%
BookingTek	873	218	20/10/2016	N	N	Ords/Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%
Veritek Global Holdings	2,290	188	20/03/2012	N	N	Ords/Prefs/Loanstock	Support Services	Mature stage, MBO	Write-down 76%-100%
Jablite Holdings	499	162	23/04/2015	N	N	Ords/Prefs/Loanstock	Construction & Materials	Mature stage, MBO	Write-down 51%-75%
Super Carers Limited	650	162	09/03/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
BG Training	53	27	26/09/2002	N	N	Ords/Prefs/Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
CB Imports	175	0	10/12/2009	N	N	Ords	General Retailers	Mature stage, MBO	Write-down 76%-100%
H Realisations Limited (formerly Hemmels Limited-in liquidation)	30	0	13/03/2018	N	N	Loanstock	Automobiles & Parts	Early Stage, Pre-Revenue	Write-down 76%-100%
Racoon International Holdings	656	0	22/12/2006	N	N	Ords/Loanstock	Personal Goods	Mature stage, MBO	Write-down 76%-100%
	45,533	49,409							
MOBEUS INCOME & GROWTH									
Tovey Management Limited (Access IS)	3,264	3,949	01/04/2015	N	N	Ords/Prefs/Loanstock	Electronic & Electrical Equipment	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Turner Topco (ATG Media Holdings)	2,501	3,817	27/06/2014	Y	N	Ords/Loanstock	Media	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
MPB Group	1,900	3,520	15/06/2016	N	N	Ords/Loanstock	General Retailers	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Preservica	2,099	3,125	02/12/2015	N	N	Ords/Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
EOTH	1,298	2,803	24/10/2011	N	N	Ords/Prefs/Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Virgin Wines Holding Company	2,439	2,798	20/03/2012	Y	Mobeus	Ords/Prefs/Loanstock	General Retailers	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Pattern Analytics Limited (trading as Biosite)	1,584	2,434	23/11/2016	N	N	Ords/Loanstock	Software & Computer Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Media Business Insight	3,282	2,416	30/01/2015	N	N	Ords/Loanstock	Media	Mature stage, MBO	Write-down 26%-50%
Vectair Holdings	139	2,362	13/01/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Proactive Limited	927	2,331	18/01/2018	N	N	Ords/Loanstock	General Financial	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Vian Marketing (Red Paddle Co)	1,189	1,997	01/04/2015	N	N	Ords/Loanstock	Leisure Goods	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
CGI Creative Graphics International	1,808	1,795	02/06/2014	Y	Mobeus	Ords/Prefs/Loanstock	General Industrials	Mature stage, MBO	Write-down up to 15%
Master Removers Group 2019 Limited	419	1,588	09/12/2014	N	N	Ords	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
My TutorWeb	1,534	1,534	22/05/2017	N	N	Ords	Support Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple

Table 12: Unquoted portfolio analysis for Tax Efficient Review as at 30/06/2019- Source Mobius Equity Partners LLP

Investee name	Amount invested	Current Value*	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
	£	£							
Manufacturing Services Investment (Wetsuit Outlet)	2,745	1,504	26/02/2014	N	N	Ords/ Loanstock	Leisure Goods	Later Stage, Pre-flotation	Write-down 26%-50%
Tharstern	1,377	1,452	18/07/2014	N	N	Ords/ Prefs/ Loanstock	Software & Computer Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Arkk Consulting Limited	1,447	1,447	13/05/2019	N	N	Ords/Prefs	Support Services	Later Stage, Pre-flotation	Cost
Ibericos Etc. (Tapas Revolution)	1,245	1,195	04/01/2017	N	N	Ords/ Loanstock	Travel & Leisure	Later Stage, Pre-flotation	Write-down up to 15%
Buster and Punch Holdings Limited	668	1,081	30/03/2017	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Blaze Signs	492	1,016	28/04/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Rota Geek Limited	571	903	13/08/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
RDL Corporation	1,558	900	28/10/2010	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
Parsley Box Limited	854	854	22/05/2019	N	N	Ords	Food Producers	Later Stage, Pre-flotation	Cost
Kudos Innovations	421	841	28/11/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Redline Worldwide (formerly Pound Fm Consultants)	1,088	541	01/04/2015	N	N	Ords/ Loanstock	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
BookingTek	771	193	20/10/2016	N	N	Ords/ Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%
Veritek Global Holdings	2,045	168	20/03/2012	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 76%-100%
Jablite Holdings	502	163	23/04/2015	N	N	Ords/ Prefs/ Loanstock	Construction & Materials	Mature stage, MBO	Write-down 51%-75%
Super Carers Limited	580	145	09/03/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
CB Imports	350	0	10/12/2009	N	N	Ords	General Retailers	Mature stage, MBO	Write-down 76%-100%
H Realisations Limited (formerly Hemmels Limited-in liquidation)	27	0	13/03/2018	N	N	Loanstock	Automobiles & Parts	Early Stage, Pre-Revenue	Write-down 76%-100%
Racoon International Holdings	1,213	0	22/12/2006	N	N	Ords	Personal Goods	Mature stage, MBO	Write-down 76%-100%
TOTAL	42,337	48,872							
MOBEUS INCOME & GROWTH 2 VCT									
Tovey Management Limited (Access IS)	1,953	2,364	01/04/2015	N	N	Ords/ Prefs/ Loanstock	Electronic & Electrical Equipment	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
MPB Group	1,176	2,179	15/06/2016	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Turner Topco (ATG Media Holdings)	1,321	2,015	27/06/2014	Y	N	Ords/ Prefs/ Loanstock	Media	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple

Mobeus VCT Share Offer

Investee name	Amount invested	Current Value*	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
	£	£							
EOTH	817	1,765	24/10/2011	N	N	Ords/ Prefs/ Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Preservica	1,133	1,688	02/12/2015	N	N	Ords	Software & Computer Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Proactive Limited	635	1,599	18/01/2018	N	N	Ords/ Loanstock	General Financial	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Pattern Analytics Limited (trading as Biosite)	1,036	1,593	23/11/2016	N	N	Ords/ Loanstock	Software & Computer Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Media Business Insight	2,009	1,479	30/01/2015	N	N	Ords/ Loanstock	Media	Mature stage, MBO	Write-down 26%-50%
Virgin Wines Holding Company	1,284	1,473	20/03/2012	Y	Mobeus	Ords/ Prefs/ Loanstock	General Retailers	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Vian Marketing (Red Paddle Co)	717	1,204	01/04/2015	N	N	Ords/ Loanstock	Leisure Goods	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Vectair Holdings	60	1,028	13/01/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
CGI Creative Graphics International	1,000	993	02/06/2014	Y	Mobeus	Ords/ Prefs/ Loanstock	General Industrials	Mature stage, MBO	Write-down up to 15%
My TutorWeb	980	980	22/05/2017	N	N	Ords	Support Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Master Removers Group 2019 LimitedX	252	955	09/12/2014	N	N	Ords/ Loanstock	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Manufacturing Services Investment (Wetsuit Outlet)	1,717	941	26/02/2014	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-flotation	Write-down 26%-50%
Arkk Consulting Limited	909	909	13/05/2019	N	N	Ords/Prefs	Support Services	Later Stage, Pre-flotation	Cost
Tharstern	790	833	19/07/2014	N	N	Ords/ Prefs/ Loanstock	Software & Computer Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Ibericos Etc. (Tapas Revolution)	812	779	04/01/2017	N	N	Ords/ Loanstock	Travel & Leisure	Later Stage, Pre-flotation	Write-down up to 15%
Buster and Punch Holdings Limited	436	706	30/03/2017	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Blaze Signs	437	660	28/04/2006	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Rota Geek Limited	367	580	13/08/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
RDL Corporation	1,000	578	28/10/2010	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
Kudos Innovations	278	556	28/11/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Parsley Box Limited	551	551	22/05/2019	N	N	Ords	Food Producers	Later Stage, Pre-flotation	Cost
Redline Worldwide (formerly Pound Fm Consultants)	682	340	01/04/2015	N	N	Ords/ Loanstock	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
Bourn Bioscience	757	168	29/01/2014	N	N	Ords/ Loanstock	Health Care Equipment & Services	Later Stage, Pre-flotation	Write-down 76%-100%

Table 12: Unquoted portfolio analysis for Tax Efficient Review as at 30/06/2019- Source Mobius Equity Partners LLP

Investee name	Amount invested	Current Value*	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
	£	£							
BookingTek	504	126	20/10/2016	N	N	Ords/ Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%
Super Carers Limited	385	96	09/03/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
Jablite Holdings	281	92	23/04/2015	N	N	Ords/ Prefs/ Loanstock	Construction & Materials	Mature stage, MBO	Write-down 51%-75%
Veritek Global Holdings	968	79	20/03/2012	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 76%-100%
H Realisations Limited (formerly Hemmels Limited-in liquidation)	20	0	13/03/2018	N	N	Loanstock	Automobiles & Parts	Early Stage, Pre-Revenue	Write-down 76%-100%
Racoon International Holdings	1,046	0	22/12/2006	N	N	Ords/ Loanstock	Personal Goods	Mature stage, MBO	Write-down 76%-100%
TOTAL	26,313	29,309							
MOBEUS INCOME & GROWTH 4 VCT									
Tovey Management Limited (Access IS)	2,469	2,988	01/04/2015	N	N	Ords/ Prefs/ Loanstock	Electronic & Electrical Equipment	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
MPB Group	1,481	2,744	15/06/2016	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Preservica	1,586	2,361	02/12/2015	N	N	Ords	Software & Computer Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Turner Topco (ATG Media Holdings)	1,529	2,333	27/06/2014	Y	N	Ords/ Prefs/ Loanstock	Media	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Virgin Wines Holding Company	1,931	2,215	20/03/2012	Y	Mobeus	Ords/ Prefs/ Loanstock	General Retailers	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Pattern Analytics Limited (trading as Biosite)	1,339	2,058	23/11/2016	N	N	Ords/ Loanstock	Software & Computer Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
EOTH	951	2,054	24/10/2011	N	N	Ords/ Prefs/ Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Media Business Insight	2,723	2,004	30/01/2015	N	N	Ords/ Loanstock	Media	Mature stage, MBO	Write-down 26%-50%
Proactive Limited	755	1,900	18/01/2018	N	N	Ords/ Loanstock	General Financial	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Vian Marketing (Red Paddle Co)	899	1,510	01/04/2015	N	N	Ords/ Loanstock	Leisure Goods	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
CGI Creative Graphics International	1,450	1,440	02/06/2014	Y	Mobeus	Ords/ Prefs/ Loanstock	General Industrials	Mature stage, MBO	Write-down up to 15%
Master Removers Group 2019 Limited	349	1,323	09/12/2014	N	N	Ords/ Loanstock	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
My TutorWeb	1,308	1,308	22/05/2017	N	N	Ords	Support Services	Later Stage, Pre-profit expansion	Uplift in value, manager valuation based on earnings multiple
Manufacturing Services Investment (Wetsuit Outlet)	2,333	1,278	26/02/2014	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-flotation	Write-down 26%-50%

Mobius VCT Share Offer

Table 12: Unquoted portfolio analysis for Tax Efficient Review as at 30/06/2019- Source Mobius Equity Partners LLP									
Investee name	Amount invested	Current Value*	Date of first investment of current holding	Syndicated Y/N	Lead investor Y/N	Structure of investment	Industry sector	Financing stage	Valuation method
	£	£							
Tharstern	1,092	1,151	19/07/2014	N	N	Ords/ Prefs/ Loanstock	Software & Computer Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Arkk Consulting Limited	1,118	1,118	13/05/2019	N	N	Ords/Prefs	Support Services	Later Stage, Pre-flotation	Cost
Ibericos Etc. (Tapas Revolution)	1,045	1,002	04/01/2017	N	N	Ords/ Loanstock	Travel & Leisure	Later Stage, Pre-flotation	Write-down up to 15%
Buster and Punch Holdings Limited	530	858	30/03/2017	N	N	Ords/ Loanstock	General Retailers	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Rota Geek Limited	437	691	13/08/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
Parsley Box Limited	668	668	22/05/2019	N	N	Ords	Food Producers	Later Stage, Pre-flotation	Cost
Kudos Innovations	329	658	28/11/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Uplift in value, manager valuation based on earnings multiple
RDL Corporation	1,000	578	28/10/2010	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
Vectair Holdings	25	422	13/01/2006	N	N	Ords/Prefs	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Redline Worldwide (formerly Pound Fm Consultants)	838	417	01/04/2015	N	N	Ords/ Loanstock	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
Blaze Signs	191	280	28/04/2006	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Uplift in value, manager valuation based on earnings multiple
Bourn Bioscience	1,133	251	29/01/2014	N	N	Ords/ Loanstock	Health Care Equipment & Services	Later Stage, Pre-flotation	Write-down 76%-100%
BookingTek	652	163	20/10/2016	N	N	Ords/ Loanstock	Software & Computer Services	Later Stage, Pre-profit expansion	Write-down 51%-75%
Omega Diagnostics	200	162	20/12/2010	Y	N	Ords	Pharmaceuticals & Biotechnology	Later Stage, Pre-flotation	AIM listed, At mid, Marketability discount of 0%
Veritek Global Holdings	1,620	133	20/03/2012	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 76%-100%
Jablite Holdings	376	122	23/04/2015	N	N	Ords/ Prefs/ Loanstock	Construction & Materials	Mature stage, MBO	Write-down 51%-75%
Super Carers Limited	486	121	09/03/2018	N	N	Ords	Support Services	Later Stage, Pre-flotation	Write-down 51%-75%
BG Training	11	5	26/09/2002	N	N	Ords/ Prefs/ Loanstock	Support Services	Mature stage, MBO	Write-down 26%-50%
CB Imports	175	0	10/12/2009	N	N	Ords/ Loanstock	General Retailers	Mature stage, MBO	Write-down 76%-100%
H Realisations Limited (formerly Hemmels Limited-in liquidation)	23	0	13/03/2018	N	N	Loanstock	Automobiles & Parts	Early Stage, Pre-Revenue	Write-down 76%-100%
Racoon International Holdings	484	0	22/12/2006	N	N	Ords/ Loanstock	Personal Goods	Mature stage, MBO	Write-down 76%-100%
TOTAL	33,536	36,316							
TOTAL ALL VCTs	147,719	163,906							